

RESOLUTION NO. 2014-01

RESOLUTION OF THE BOARD OF DIRECTORS OF TOWN OF GILBERT, ARIZONA PUBLIC FACILITIES MUNICIPAL PROPERTY CORPORATION AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$32,000,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFINANCING CERTAIN PROJECTS FOR THE TOWN OF GILBERT, ARIZONA; DELEGATING TO THE TOWN MANAGER OR THE FINANCE AND MANAGEMENT SERVICES DIRECTOR OF THE TOWN OF GILBERT, ARIZONA, THE AUTHORITY TO DETERMINE VARIOUS TERMS WITH RESPECT TO THE BONDS AND THE SALE THEREOF; PROVIDING FOR THE APPLICATION OF THE PROCEEDS FROM THE SALE OF THE BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE CORPORATION OF A FOURTH SUPPLEMENT TO TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF REVENUES AND FURTHER SECURING THE PAYMENT OF THE BONDS, A FIRST AMENDMENT TO SERIES 2006 GROUND LEASE, A SERIES 2014 TOWN LEASE, AN ESCROW TRUST AGREEMENT, ANY GUARANTY OR RELATED AGREEMENT NECESSARY WITH RESPECT TO CREDIT ENHANCEMENT, A BOND PURCHASE AGREEMENT AND CERTAIN OTHER DOCUMENTS AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT RELATING TO THE BONDS

WHEREAS, Town of Gilbert, Arizona Public Facilities Municipal Property Corporation (the "Corporation") was formed to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, including, without limiting the generality of the foregoing, any civic or charitable purpose such as financing or refinancing the cost of acquiring, constructing, reconstructing or improving buildings, equipment or other real and personal properties suitable for use by and for leasing to the Town of Gilbert, Arizona (the "Town"); and

WHEREAS, the Mayor and Common Council of the Town heretofore determined that it would be beneficial to the Town to finance the costs of facilities for the police department, fire department, prosecutor and municipal court judges of the Town and for the justice court judges of Maricopa County, Arizona, and a drivers' license station for the Arizona Department of Motor Vehicles and related parking facilities for all of the foregoing (collectively the "First Projects"); and

WHEREAS, in order to finance the First Projects, the Corporation issued its Revenue Bonds, Series 2001 (the "Series 2001 Bonds"), all of which have since been paid; and

WHEREAS, in connection with the issuance of the Series 2001 Bonds, the Corporation and the Town entered into, among other agreements, a Series 2001 Town Lease, dated as of October 1, 2001, pursuant, among other things, to which the Town, as agent of the Corporation, designated, acquired and equipped, as the case was, the First Projects; and

WHEREAS, the Mayor and Common Council of the Town then determined that it was beneficial to the Town to finance the costs of design, construction and outfitting of (i) an approximately 90,000 square foot facility on a 30-acre site to include amenities for public works field operations, vehicle maintenance, household hazardous waste storage, parks maintenance, full service police substation and storage for vehicles, equipment, and materials as well as related parking, landscaping, fueling station, and adjacent arterial roadway improvements to be known as the "South Area Service Center Facility"; (ii) a 50,000 square foot facility to include offices, warehouse, secured storage yard, employee and public parking, and storage equipment as well as site improvements and security common to secured property storage facilities to be known as the "Police Property Facility" and (iii) a multi-use athletic complex on approximately 44 acres including: eight replica stadiums with artificial turf, field houses, stadium club, sports-themed concession buildings, and other activity areas as well as administrative office building, corporate events area, associated parking, trail improvements, and the widening of the adjacent arterial street and associated site work to be known as the "Sports Complex" (collectively, the "Second Projects"); and

WHEREAS, in order to finance the Second Projects, the Corporation issued its Revenue Bonds, Series 2006 (the "Series 2006 Bonds"); and

WHEREAS, in connection with the issuance of the Series 2006 Bonds, the Corporation and the Town entered into a Series 2006 Ground Lease, dated as of January 1, 2006 (the "Series 2006 Ground Lease"), pursuant to which the Town leased the real property described on Exhibit A attached thereto to the Corporation, a Series 2006 Town Lease, dated as of January 1, 2006, which has since been amended by a First Amendment to Series 2006 Town Lease, dated March 25, 2009, pursuant to which the Corporation leased such real property and the improvements to be included thereon to the Town, and the Town, as agent of the Corporation, designed, constructed and outfitted, as the case was, the Second Projects; and

WHEREAS, the Mayor and Common Council of the Town then determined that it will be beneficial to the Town to finance the costs of acquisition of certain interests in real property to locate a public safety facility, a park, a special events center and an irrigation basin and the costs of design, construction and outfitting,

as applicable, of a park, a parking facility and other facilities as determined pursuant to the hereinafter defined Town Lease (the "Third Projects"); and

WHEREAS, in order to finance the Third Projects, the Corporation issued its Revenue Bonds, Series 2009 (the "Series 2009 Bonds"); and

WHEREAS, in connection with the issuance of the Series 2009 Bonds, the Corporation and the Town entered into, among other agreements, a Series 2009 Town Lease, dated as of March 1, 2009, pursuant to which, among other things, the Town, as agent of the Corporation, designed, constructed and outfitted, as the case was, the Third Projects; and

WHEREAS, the Mayor and Common Council of the Town then determined that it would be beneficial to the Town to refinance a portion of the Series 2001 Bonds; and

WHEREAS, for such purpose, the Corporation issued its Revenue Refunding Bonds, Series 2011 (the "Series 2011 Bonds"); and

WHEREAS, the Mayor and Common Council of the Town have now determined that it will be beneficial to the Town to refinance a portion of the Series 2006 Bonds (the "Bonds Being Refunded"); and

WHEREAS, for such purpose, it is necessary and desirable that the Corporation issue its Revenue Refunding Bonds (the "Bonds"); and

WHEREAS, the Series 2006 Bonds, the Series 2009 Bonds and the Series 2011 Bonds (and certain parity obligations including the Bonds) are and will be secured by a Trust Indenture, dated as of October 1, 2001 (the "Indenture"), supplemented by a First Supplement to Trust Indenture, dated as of January 1, 2006, a Second Supplement to Trust Indenture, dated as of March 1, 2009, and a Third Supplement to Trust Indenture, dated as of July 1, 2011, from the Corporation to The Bank of New York Mellon Trust Company, N.A. (successor in interest to J.P. Morgan Trust Company, National Association and Bank One Trust Company, N.A.), as trustee (the "Trustee"); and

WHEREAS, in connection with the issuance of the Bonds, the Corporation and the Town will enter into a First Amendment to Series 2006 Ground Lease, to be dated as of the first day of the month of the date established as the dated date of the Bonds as provided herein (the "Ground Lease"), pursuant to which the Town will extend the lease of the real property which was the subject of the Series 2006 Ground Lease (the "Real Property") to the Corporation and a Series 2014 Town Lease, to be dated as of the first day of the month of the date established as the dated date of the Bonds as provided herein (the "Town Lease"), pursuant to which the Corporation will extend the lease

of the Real Property and the improvements to be included thereon to the Town; and

WHEREAS, the Bonds will be secured by the Indenture to be supplemented by a Fourth Supplement to Trust Indenture, to be dated as of the first day of the month of the date established as the dated date of the Bonds as provided herein (the "Indenture Supplement"), from the Corporation to the Trustee; and

WHEREAS, the Bonds will be secured by the Town Lease pursuant to which the Town will pledge (i) revenues from the unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the Town imposes; provided that the Mayor and Common Council of the Town may impose other transaction privilege taxes in the future, the uses of revenues from which will be restricted, at the discretion of such Mayor and Common Council, and (ii) any excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State of Arizona or any agency thereof and returned, allocated or apportioned to the Town, except the Town's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes; and

WHEREAS, the Corporation has not made and does not intend to make any profit by reason of any business or venture in which it may engage or by reason of the assistance it renders the Town in refinancing the Second Projects, and no part of the Corporation's net earnings, if any, will ever inure to the benefit of any person, firm or corporation except the Town; and

WHEREAS, the Corporation is authorized and empowered, among other things (a) to issue its special obligation bonds for the purposes of assisting the Town in acquiring, constructing and equipping municipal improvements and otherwise incurring expenses to improve the use of municipal facilities, or the refinancing thereof, (b) to enter into leases and other necessary documents and to provide for rentals sufficient to pay the principal of, premium, if any, and interest on such bonds, (c) to secure such bonds as provided for herein and in the Indenture Supplement and (d) to enact this Resolution and enter into the Ground Lease, the Town Lease and the Indenture Supplement and the Escrow Trust Agreement and the Purchase Contract (as such terms are hereinafter defined) upon the terms and conditions provided herein and therein; and

WHEREAS, there have been placed on file with the Secretary-Treasurer of the Corporation and presented at the meeting at which this Resolution was adopted (1) the proposed form of the Ground Lease; (2) the proposed form of the Town Lease; (3) the proposed form of the Indenture Supplement (the Ground Lease, the Town Lease and the Indenture Supplement being referred to herein collectively as the "Basic Documents"); (4) the proposed form of the Escrow Trust Agreement, to be dated as of the first day of the month of the date established as the dated date of the Bonds dissemination as provided herein (the

"Escrow Trust Agreement"), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the "Escrow Trustee"), to provide for the disposition of amounts to be applied to refinance the Bonds Being Refunded; (5) the proposed form of Bond Purchase Agreement, to be dated the date of the sale of the Bonds (the "Purchase Contract"), submitted by RBC Capital Markets, LLC and Wells Fargo Bank National Association (collectively, the "Purchaser") for the purchase of the Bonds and (6) the proposed form of the Preliminary Official Statement, to be dated the date of dissemination thereof (the "Preliminary Official Statement"), relating to the Bonds, which, as to be revised after sale of the Bonds, shall constitute the Official Statement, to be dated the date of the sale of the Bonds (the "Official Statement"), relating to the Bonds; and

WHEREAS, it is hereby determined that (i) the Corporation was formed to assist the Town in financing or refinancing its capital improvement projects at no profit to the Corporation; (ii) the Town desires to refinance the Second Projects by the issuance of the Bonds; (iii) the Town has leased to the Corporation the land on which such improvements and certain other real property are located pursuant to the Ground Lease; (iv) the Town will lease from the Corporation the Leased Property pursuant to the Town Lease; (v) the Corporation has not, and shall not, make any profit by reason of the assistance it renders the Town in connection with the issuance of the Bonds and (vi) the Corporation is authorized by law and deems it necessary to borrow money for purposes of carrying out its obligations under the Town Lease by issuing the Bonds and to secure the payment of the principal of and premium, if any, and interest on the Bonds and the performance of the covenants and conditions contained in the Basic Documents, the Escrow Trust Agreement and the Purchase Contract,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TOWN OF GILBERT, ARIZONA PUBLIC FACILITIES MUNICIPAL PROPERTY CORPORATION THAT:

Section 1. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Corporation and its officers directed toward the sale and issuance of the Bonds are hereby approved and ratified.

Section 2. (A) The Bonds are hereby authorized to be issued as a series of special, limited obligation bonds of the Corporation in the aggregate principal amount of not to exceed \$32,000,000. The Bonds shall be issued in the denomination of \$5,000 of principal amount or any integral multiple thereof and shall be fully registered bonds without coupons as provided in the Indenture Supplement.

(B) The Town Manager or the Finance and Management Services Director of the Town is hereby authorized to determine on behalf of the Town and the Corporation the date the Bonds are to be offered for sale and sold to the Purchaser but only if on such date the same shall result in a present value debt service savings, net of

all costs associated with the issuance of the Bonds, of not less than five percent of the principal amount of the Bonds Being Refunded, as well as the sale price and other sales terms of the Bonds (including determination of original issue discount and premium and underwriting compensation); the series designation of the Bonds (and corresponding changes for the Ground Lease, the Town Lease and the Indenture Supplement); the total aggregate principal amount of the Bonds which are to be issued but not to exceed the principal amount indicated hereinabove; the date the Bonds are to be dated but not later than July 31, 2015; the dates on which interest on the Bonds is to be payable and the rates of interest per annum the Bonds are to bear; the dates the Bonds are to mature but not later than July 1, 2021, the principal amounts to mature on such dates and the provisions for redemption of the Bonds in advance of such dates; the maturity dates and principal amounts for the Bonds Being Refunded and the determinations of exercise of redemption provisions with respect to the Bonds Being Refunded and the provisions pursuant to which the Bonds are to be credit enhanced (including determinations with respect to bond insurance); provided, however, that the foregoing determinations shall not result in the yield on the Bonds, calculated for federal income tax purposes, exceeding two percent.

(C) The form and other terms and provisions of the Bonds, including for signatures, authentication, payment, registration, transfer, exchange, redemption and number, shall be as set forth in the Indenture Supplement and are hereby approved, with only such changes therein as are not inconsistent herewith and as are approved by the officers authorized to execute the Bonds, and each is hereby authorized to execute and deliver the Bonds. The signatures of the President and the Secretary-Treasurer on the Bonds may be by facsimile.

Section 3. The forms, terms and provisions of the Basic Documents, the Escrow Trust Agreement and the Purchase Contract, in substantially the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and reflect the determinations made as hereinabove described and as are approved by the officers authorized to execute such documents (which approval will be conclusively demonstrated by their execution thereof), and the President or, in the absence thereof, the Vice President and the Secretary-Treasurer or, in the absence thereof, any other officer of the Corporation are hereby authorized to execute and attest and deliver, respectively, the Basic Documents, the Escrow Trust Agreement and the Purchase Contract as well as any other documents necessary in connection therewith (including contracts with necessary consultants and attorneys) to provide for the issuance of the Bonds including any financial guaranty or related agreement necessary with respect to credit enhancement for the Bonds.

Section 4. The Bonds shall be sold to the Purchaser in accordance with the terms of the Purchase Contract as such terms are to be determined as provided hereinabove.

Section 5. The President or Secretary-Treasurer are authorized to execute and deliver to the Trustee the written order of the Corporation for the authentication and delivery of the Bonds by the Trustee.

Section 6. Upon the delivery of the Bonds, the proceeds of the Bonds shall be deposited as provided in the Indenture Supplement.

Section 7. The officers of the Corporation shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the sale and delivery of the Bonds.

Section 8. The form and distribution by the Purchaser of the Preliminary Official Statement is hereby approved. Any of the President, Vice President or Secretary are hereby authorized and directed to cause the preparation of and to execute and deliver the Official Statement, in substantially the form of the Preliminary Official Statement, revised to reflect the provisions of sale of the Bonds and with such changes as may be acceptable to such officers of the Corporation, and the distribution of the Official Statement by the Purchaser is hereby approved.

Section 9. The Bonds shall be special, limited obligations of the Corporation payable solely from rental payments to be made by the Town under the Town Lease. Nothing contained in this Resolution, the Basic Documents, the Escrow Trust Agreement or any other instrument shall be construed as obligating the Corporation except to the extent provided in such documents or instruments or as incurring a charge upon the general credit of the Corporation nor shall the breach of any agreement contained in this Resolution, the Basic Documents, the Escrow Trust Agreement or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the Corporation.

Section 10. The Bank of New York Mellon Trust Company, N.A. is hereby confirmed as Trustee, Registrar and Paying Agent (as such terms are defined in the Indenture Supplement) pursuant to, and for purposes of, the Indenture Supplement and the Escrow Trust Agreement pursuant to, and for purposes of, the Escrow Trust Agreement.

Section 11. After any of the Bonds are delivered by the Trustee to the Purchaser upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 12. (A) If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

(B) Any provisions of any bylaws, orders, procedural pamphlets and resolutions inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any bylaw, order, procedural pamphlet or resolution or any part thereof.

(C) It is hereby found and determined that all formal actions of the Corporation and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State of Arizona and the Corporation.

(D) This Resolution shall be effective immediately.

ADOPTED AND APPROVED this 20th day of November, 2014.

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Leonard Katz, President, Town of
Gilbert, Arizona Public Facilities
Municipal Property Corporation

ATTEST:

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Patricia Krueger, Secretary-
Treasurer, Town of Gilbert,
Arizona Public Facilities
Municipal Property Corporation